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October 7, 2003

RECEIVED

OCT 07 2003

PUBLIC SERVICE
COMMISSION

Mr. Tom Dorman
Executive Director
Public Service Commission
Commonwealth of Kentucky
211 Sower Blvd.
P.O. Box 615
Frankfort, Kentucky 40601

In re: Attention Tariff Branch **2003-00394**
City of Lawrenceburg Rate Increase to South Anderson Water
Request to Intervene and Protest

Dear Mr. Dorman:

I represent the South Anderson Water District. Please consider this correspondence as the District's formal request to protest the proposed rate increase on behalf of the City of Lawrenceburg as set forth in their September 18, 2003, correspondence to the District. (A copy is attached).

The District is also requesting to intervene in this matter and would request an order of the Commission permitting it to do so and further request that the City be ordered not to charge the proposed rate until a rate study can be conducted.

The rate as proposed from the City would substantially increase the cost of water to the District.

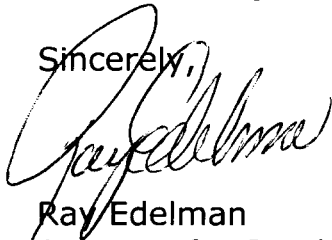
The current rate is \$1.17 per thousand gallons and the proposed rate would raise the cost to \$2.18 per thousand gallons. The increase is \$1.01 per thousand gallons or an increase of 86 percent.

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The City has additionally notified the District that it intends to start charging the proposed rate as of the October 18, 2003, billing and has, in fact, billed the District using the proposed rate for the September 2003 billing. (See attached billing for August 2003 and September 2003). Billing should not commence until the rate is approved by the Public Service Commission.

I would request that an appropriate "Rate Study" be conducted by the Public Service Commission Staff to determine the reasonableness of the proposed rate. Attached is a copy of the Ordinance passed by the City of Lawrenceburg. Please advise if you need anything additional from the District.

Sincerely,

A handwritten signature in black ink, appearing to read "Ray Edelman", written over the word "Sincerely,".

Ray Edelman
Attorney for South
Anderson Water District

RE:kac

Cc: Alton Warford, Manager
South Anderson Water District
246 East Court Street
Lawrenceburg, Kentucky 40342